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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/871,924	06/01/2001	Thomas P. Hommrich	ARIBP063	1386

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EXAMINER	
RUHL, DENNIS WILLIAM	
ART UNIT	PAPER NUMBER
3689	
MAIL DATE	DELIVERY MODE
07/25/2008	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	09/871,924	HOMMRICH ET AL.	
	Examiner	Art Unit	
	Dennis Ruhl	3689	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *31 March 2008*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-23,29 and 30* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-23,29,30* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☐ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

Applicant's response of 3/31/08 has been entered. The examiner will address applicant's arguments at the end of this office action.

1. 35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

2. Claims 1-21,23, are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

For claims 1-21,23, in order for a method to be considered a "process" under §101, a claimed process must either: (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials). *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972). If neither of these requirements is met by the claim, the method is not a patent eligible process under §101 and is non-statutory subject matter. With respect to claims 1-21,23, the claimed process is not tied to another statutory class and is not resulting in any transformation of anything (article or materials). The claim language does not include the required tie or transformation and thus is directed to nonstatutory subject matter.

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the

> invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

4. This application currently names joint inventors. In considering patentability of the claims under 35 U.S.C. 103(a), the examiner presumes that the subject matter of the various claims was commonly owned at the time any inventions covered therein were made absent any evidence to the contrary. Applicant is advised of the obligation under 37 CFR 1.56 to point out the inventor and invention dates of each claim that was not commonly owned at the time a later invention was made in order for the examiner to consider the applicability of 35 U.S.C. 103(c) and potential 35 U.S.C. 102(e), (f) or (g) prior art under 35 U.S.C. 103(a).

5. Claims 1-23,29,30, are rejected under 35 U.S.C. 103(a) as being unpatentable over the article "Business-to-Business online auctions: key issues for purchasing process improvement".

For claims 1,19,21,23, the article discloses the idea of reverse auctions and how they work in assisting companies in obtaining a lower price for goods or services that the company needs. The reverse auction allows cost savings to be obtained. The article discloses that in reverse auctions lots (groupings of items or things at auction) are set up for providers of the goods or service to place bids on. The bidding can be for almost anything a company desires. The article specifically discloses that transportation services are one thing that can be bid on in reverse auctions (see page 177, 2nd column; page 178, 1st column). The article specifically states that "Companies that spend a large amount of money on ground transportation to distribute goods would do well to save 4 percent". With respect to transportation of goods, it is inherent that

there are origination and destination locations involved when a reverse auction is conducted for transportation services. The article also discloses and discusses what is called "lots" and "lotting" of items in the reverse auction. When using a reverse auction for transportation services there would inherently be "lots" as claimed that are made up of the desired transportation services from the origination location to a destination location. Each transportation route (lane) inherently has a transport value as claimed.

Not disclosed is the iteratively increasing of an area (either origination or destination) to include more lanes in the lot until the "lot" has a value that exceeds a predetermined value. This is essentially the adding of more lanes to the lot to make it larger (more items in the lot) until a certain point has been reached, which is itself an iterative process. The language of "iteratively increasing …until the lot has a value that exceeds a predetermined value" already inherently requires that it be determined if you have reached that predetermined value yet and if not then repeat the process again, which satisfies the language of "iteratively".

Applicant should take notice that this missing limitation is being addressed in more than one manner in this 103 rejection and each separate obviousness statement should be construed as distinct rejections based on this reference. The examiner is addressing the reference with respect to transportation services.

A. The article recognizes and discusses that the buyers of the service "*may seek to reduce the number of suppliers and concentrate purchase volumes with fewer more capable suppliers*". See page 177, 1st column. Also stated is that "*individual buyers tend to favor certain suppliers and may impose subtle barriers to rationalization*".

This suggests to one of ordinary skill in the art that the buyers may favor some suppliers over another and may desire to have less suppliers bidding as opposed to a greater number. One of ordinary skill in the art would recognize that one way to achieve this is to craft the lots in such a manner that certain suppliers are favored over others. One way this can be done is to increase the lot size to such as extent that the smaller suppliers cannot provide the services contained in the lot; therefore, effectively preventing them from even bidding on the transportation services contained in the lot. This also satisfies the claimed estimated cost limitation from claim 20 because more services result in more estimated cost as well as the claimed quantity of goods in claim 21. This would present an obstacle to smaller suppliers because they would not be able to provide the services in the lot. Having larger lots with more transportation lanes in the lot would tailor the bidding towards the larger companies who can provide that level of service and would be an obstacle to the smaller companies that are not able to satisfy the services in the lot. It would have been obvious to one of ordinary skill in the art at the time the invention was made to increase the lot size above a predetermined value by adding (lotting) more lanes to the lot (expanded origination and destination areas) in an attempt to favor those suppliers that are larger and that can provide the services in the lot and to reduce the number of companies bidding (an attempt to prevent some smaller less capable companies from bidding).

B. Page 179 discloses that "It is critical that lotting be performed very well as it helps suppliers recognize which parts" (in this case transportation service lanes) "fit their core competencies". This also teaches to one of ordinary skill in the art that the

lotting is based on a number of considerations relevant to the supplier of the services and is something that can vary from company to company depending on your prospective suppliers. It is old and well known in the business world that suppliers would prefer to secure larger contracts for services as opposed to smaller contracts. From a common sense standpoint, it would not make sense to try to auction a very large number of small lots, due to the fact that you may be dealing with a large number of different companies (a logistical concern) and because larger companies may not be inclined to bid on a large number of smaller lots when they could just bid on fewer and larger sized lots. It would have been obvious to one of ordinary skill in the art at the time the invention was made to increase the lot size above a predetermined value by adding (lotting) more lanes to the lot (expanded origination and destination areas) so that the lots are of such as size that they would generate sufficient interest and entice suppliers to bid on the lot. Too small of sized lots would not be as desirable from a supplier standpoint as opposed to larger lots, because a larger lot (more lanes) means a larger contract. Evidence of this is also supported by the article on page 179 where it is stated that "*low volume lots or incorrectly lotted parts may be put aside and bid off-line at a later time*". Larger lots are more preferable to smaller lots because with smaller lots one would risk having the smaller lots put aside. This also satisfies the claimed estimated cost limitation from claim 20 because more services result in more estimated cost as well as the claimed quantity of goods in claim 21

C. Purely from a logistical standpoint concerning the time it takes to conduct an auction, having a large number of small lots is a lot more work than having a smaller

number of larger sized lots. From a time standpoint, one of ordinary skill in the art would be motivated to increase the lots sizes so that the overall time it takes to conduct the auction is less so that the auction is efficient. A company presenting 1000 lots for transportation services would not result in a very efficient auction (very time consuming) and because of this fact would be motivated to set forth fewer larger sized lots due to time concerns. It would have been obvious to one of ordinary skill in the art at the time the invention was made to increase the lot size above a predetermined value by adding (lotting) more lanes to the lot (expanded origination and destination areas) in an attempt to ensure that the auction is efficient and not too time consuming to conduct.

For claim 2, it is inherent that a list of carriers is complied. That is inherent because as the article states, you would know beforehand who the suppliers are that would most likely be bidding on the lots. Additionally, when the auction is going on or completed, there will be a list of carriers as claimed (the ones that bid).

For claims 3,9,5,11, not specifically disclosed is that the origination area is a facility or a city. It would have been obvious to one of ordinary skill in the art at the time the invention was made to have the origination be a facility or a city, such as your manufacturing facility or facility location in a city, because that is where the transportation is needed. Unless your goods are sitting in a field outdoors and exposed to theft, one of ordinary skill in the art would understand that produced goods must be taken from the location of production (a facility) to the location of distribution. Facilities are routinely located in cities and are not normally located away from civilization.

For claims 4,10, all locations in the United States are covered by zip codes as defined by the US postal system. This fact is inherent.

For claims 6,7,12,13, the claimed limitations are inherent to the any location in the United *States* of America (a nation).

For claims 8,14, a location inherently includes a geographic area and all locations/areas are predetermined as claimed.

For claim 15, each lanes has an associated transport value and placing the lanes in lots satisfied the claimed "sorting" step.

For claims 16,17,18, not disclosed is that storing of the lanes in a database, and removing them. Because the article discloses that the reverse auction is conducted online, it would have been obvious to one of ordinary skill in the art to store the lanes in a database so that the lanes or lots can be placed online. For claim 17 as it is best understood by the examiner, when the auction is finished one of ordinary skill in the art would also find it obvious to take the lanes out of the database due to the fact the auction is completed.

For claims 22,29,30, not specifically disclosed is the claimed computer system and storage medium. The article discloses that the method is to be used for an online auctions. Claims 22,29, are simply claiming that a computer system that is to perform the method steps and claim 30 is reciting the computer instructions stored in a tangible computer readable medium (specification limits the storage medium to known storage devices). Because it is so well known that computers are used to assist and automate many types of processes, it would have been obvious to one of ordinary skill in the art at

the time the invention was made to use a computer system that has a processor and memory as claimed, so that it is easier to perform the claimed steps. This is especially obvious due to the fact that the article discloses "online auctions" where the use of computers are necessarily required. The use of a computer would allow one to arrange and make the lots much quicker than would be possible by hand.

6. Claims 1-23,29,30, are rejected under 35 U.S.C. 103(a) as being unpatentable over the article "Business-to-Business online auctions: key issues for purchasing process improvement" in view of "The Stamp Center".

For claims 1,19,20-23, the article discloses the idea of reverse auctions and how they work in assisting companies in obtaining a lower price for goods or services that the company needs. The reverse auction allow cost savings to be obtained. The article discloses that in reverse auctions lots are set up for providers of the goods or service to place bids on. The bidding can be for almost anything a company desires. The article specifically discloses that transportation services are one thing that can be bid on in reverse auctions (see page 177, 2nd column; page 178, 1st column). The article specifically states that "Companies that spend a large amount of money on ground transportation to distribute goods would do well to save 4 percent". With respect to transportation of goods, it is inherent that there are origination and destination locations involved when a reverse auction is conducted for transportation services. The article also discloses and discusses what is called "lots" and "lotting" of items in the reverse auction. When using a reverse auction for transportation services there would

inherently be "lots" as claimed that are made up of the desired transportation services from the origination location to a destination location. Each transportation route (lane) inherently has a transport value as claimed.

Not disclosed is the increasing of an area (either origination or destination) to include more lanes in the lot so that the "lot" has a value that exceeds a predetermined value. This is essentially the adding of more lanes to the lot to make it larger (more items in the lot).

"The Stamp Center" discloses that it is known in auctions to have a minimum lot size. The examiner is using this reference in the rejection to show that minimum lot sizes are known in the art; however one of ordinary skill in the art of auctions would clearly recognize that it is old and very well known to have minimum sizes for lots when conducting auctions. This also seems to be supported by the reverse auction article itself because on page 179 it is disclosed that lots vary in size from $100,000 to $1,000,000. It would have been obvious to one of ordinary skill in the art at the time the invention was made to increase the size of the lots by adding more lanes as claimed so that you are adhering to a predetermined minimum lots size as taught by the Stamp Center article, as is known in the art. The lots size is directly related to not only the dollar amount, but also is related to the quantity of goods.

For claim 2, it is inherent that a list of carriers is complied. That is inherent because as the article states, you would know beforehand who the suppliers are that would most likely be bidding on the lots. Additionally, when the auction is going on or completed, there will be a list of carriers as claimed (the ones that bid).

For claims 3,9,5,11, not specifically disclosed is that the origination area is a facility or a city. It would have been obvious to one of ordinary skill in the art at the time the invention was made to have the origination be a facility or a city, such as your manufacturing facility or facility location in a city, because that is where the transportation is needed. Unless your goods are sitting in a field outdoors and exposed to theft, one of ordinary skill in the art would understand that produced goods must be taken from the location of production (a facility) to the location of distribution. Facilities are routinely located in cities and are not normally located away from civilization.

For claims 4,10, all locations in the United States are covered by zip codes as defined by the US postal system. This fact is inherent.

For claims 6,7,12,13, the claimed limitations are inherent to the any location in the United *States* of America (a nation).

For claims 8,14, a location inherently includes a geographic area and all locations/areas are predetermined as claimed.

For claim 15, each lanes has an associated transport value and placing the lanes in lots satisfied the claimed “sorting” step.

For claims 16,17,18, not disclosed is that storing of the lanes in a database, and removing them. Because the article discloses that the reverse auction is conducted online, it would have been obvious to one of ordinary skill in the art to store the lanes in a database so that the lanes or lots can be placed online. For claim 17 as it is best understood by the examiner, when the auction is finished one of ordinary skill in the art

would also find it obvious to take the lanes out of the database due to the fact the auction is completed.

For claims 22,29,30, not specifically disclosed is the claimed computer system and storage medium. The article discloses that the method is to be used for an online auctions. Claims 22,29, are simply claiming that a computer system that is to perform the method steps and claim 30 is reciting the computer instructions stored in a tangible computer readable medium (specification limits the storage medium to known storage devices). Because it is so well known that computers are used to assist and automate many types of processes, it would have been obvious to one of ordinary skill in the art at the time the invention was made to use a computer system that has a processor and memory as claimed, so that it is easier to perform the claimed steps. This is especially obvious due to the fact that the article discloses "online auctions" where the use of computers are necessarily required. The use of a computer would allow one to arrange and make the lots much quicker than would be possible by hand.

7. Applicant's arguments filed 3/31/08 have been fully considered but they are not persuasive.

Applicant has argued that when the Business to Business article is combined with the Stamp Center the research of stamps and grouping them into lots is not the same as what has been claimed. This is not a persuasive argument. One of the rejections of record is rejecting the claims in view of Business to Business alone and not with the Stamp center. Applicant has not addressed this rejection at all. The reasoning

and finding of obviousness has not been addressed for this single reference 103 rejection of record, which is deemed proper because it was not argued by applicant. With respect to the 103 rejection and the Stamp Center reference, the examiner did not use the reference to take away the transportation lanes of Business to Business and replace it with stamps as seems to be argued by applicant. The Stamp Center was relied upon to teach minimum lots sizes and the rationale set forth by the examiner has not been addressed by applicant's argument. In an overall sense the applicant has not addressed the rejection of record and has not addressed the rationale or reasoning set forth by the examiner that is the basis for either of the two rejections under 35 USC 103. The argument is not persuasive.

8. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Dennis Ruhl whose telephone number is 571-272-6808. The examiner can normally be reached on Monday through Friday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Janice Mooneyham can be reached on 571-272-6805. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Dennis Ruhl/
Primary Examiner, Art Unit 3689